**Deferral of VAT payments as a result of COVID-19**

The Chancellor announced a VAT payments deferral on 20 March to support businesses with cashflow during the COVID-19 pandemic.

This means that all businesses with a UK VAT registration have the option to defer VAT payments due between 20 March and 30 June. Businesses have until 31 March 2021 to pay any VAT deferred as a result of this announcement.

Businesses do not need to inform HMRC if they wish to defer payment. They can opt in to the deferral simply by not making VAT payments due in this period.

Businesses who normally pay by direct debit should cancel their direct debit with their bank if they are unable to pay. This can be done online if they’re registered for online banking. They should do so in sufficient time so that HMRC does not attempt to automatically collect on receipt of their VAT return.

Should they wish, businesses can continue to make payments as normal during the deferral period. HMRC will also continue to pay repayment claims as normal. Businesses must continue to submit VAT returns as normal.

For more information please go to **GOV.UK** and search “Deferral of VAT payment”.